THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) Yes, Sir.

(b) No, Sir. Department of Electronics have not received any proposal for such tie-up.

(c) The total annual expenditure of National Computing Centre, (NCC), UK in the year 1985-86 (Year ending March 31st, 1986) as per the Annual Report 1985-86 of NCC, UK was 11.48 million (Rs. 23.00 crores approximately) of which expenditure towards Research and Development and direct costs was £7.16 million (Rs. 14.3 crores approximately). The claim made by Apple Leasing and Industries Ltd. that NCC is spending annually Rs. 360 crores on R&D alone is not correct.

(d) Specific approval of Government is not required for advertisements issued by any party. However, if any misleading statement is made, appropriate steps can be initiated against the party.

Evasion of excise duty by I.T.C.

2672. SHRI VIRENDRA VERMA:
SHRI J. P. GOYAL:
SHRI RAFIQUE ALAM:
SHRI V. NARAYANASAMY:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that large evasion of Central Excise duty by the Indian Tobacco Company has been recently detected;

(b) if so, what is the (estimated annual evasion of Central Excise duty by ITC during the last three years, yearwise;

(c) what is the *modus operandi* in evading the Central Excise duty;

(d) what are the details of each of the 'show cause' notices, if any, issued to the company in this regard so far stating their present position; and

(e) what action is contemplated by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e) On a prior information received by the enforcement agencies of the Department of Revenue regarding alleged evasion of central excise duty by I.T.C. Limited, searches were conducted on 17th February, 1987 at the Head Office of the Company in Calcutta, 5 cigarette factories, 23 other District and Branch offices and the offices of over a 100 wholesale dealers selling the brands of the Company. A large number of incriminating documents have been recovered. Further investigations are in progress involving scrutiny of the seized documents and interrogation of the concerned persons. No show-cause notices as a result of these searches have yet been issued. The extent of evasion during the various years can only be indicated after investigations are completed. The *modus operandi* alleged in the information received by the Government and indicated from a preliminary scrutiny of the seized documents is as follows:—

(i) under-payment of excise duty by printing intentionally prices on cigarette packets lower than the 'effective prices' at which the cigarettes were sold through their market control.

(ii) under-valuation by non-inclusion of administrative charges in the assessable value.

(iii) non-inclusion of income derived by charging interest on debit balances created in the trading account of the wholesale dealers maintained with the Company.

The action to be taken against the company can only be decided after completion of the investigations.

Posts abolished in various Ministries/Department

2673. SHRI VIRENDRA VERMA: Will the PRIME MINISTER be pleased to state:

(a) what is the number of post (cadrewise) abolished during the year 1986-87 as compared to the posts abolished in